



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

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801-538-5340  
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## INSPECTION REPORT

Partial: \_\_\_ Complete: X Exploration: \_\_\_

Inspection Date & Time: July 13, 1999

Date of Last Inspection: June 17 and 30, 1999

Mine Name: Gordon Creek Mines 2, 7 & 8 County: Carbon Permit Number: ACT/007/016

Permittee and/or Operator's Name: Mountain Coal Company

Business Address: P.O. Box 591 Somerset, Colorado 81434

Type of Mining Activity: Underground X Surface \_\_\_ Prep. Plant \_\_\_ Other \_\_\_

State Officials(s): David Darby

Company Official(s): None

Federal Official(s): None

Weather Conditions: Clear, warm

Existing Acreage: Permitted- 2289 Disturbed- 0 Regraded- 17.2 Seeded- 17.2 Bonded- 17.2

Increased/Decreased: Permitted- \_\_\_ Disturbed- \_\_\_ Regraded- \_\_\_ Seeded- \_\_\_ Bonded- \_\_\_

Status: Exploration/X Active/\_Inactive/\_Temporary Cessation/\_Bond Forfeiture

Reclamation ( Phase I/\_Phase II/\_Final Bond Release/\_Liability Year )

### REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

#### Instructions

- Substantiate the elements on this inspection by checking the appropriate performance standard.
  - For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
  - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

|  | EVALUATED                           | N/A                                 | COMMENTS                            | NOVENF                   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| 1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE                      | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. SIGNS AND MARKERS   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. TOPSOIL   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 4. HYDROLOGIC BALANCE:   |                                     |                                     |                                     |                          |
| a. DIVERSIONS  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. SEDIMENT PONDS AND IMPOUNDMENTS                               | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| c. OTHER SEDIMENT CONTROL MEASURES                               | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| d. WATER MONITORING  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| e. EFFLUENT LIMITATIONS  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 5. EXPLOSIVES  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES                        | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS                     | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 8. NONCOAL WASTE   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 10. SLIDES AND OTHER DAMAGE                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 11. CONTEMPORANEOUS RECLAMATION                                  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 12. BACKFILLING AND GRADING                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 13. REVEGETATION   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 14. SUBSIDENCE CONTROL   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 15. CESSATION OF OPERATIONS                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 16. ROADS:   |                                     |                                     |                                     |                          |
| a. CONSTRUCTION/MAINTENANCE/SURFACING                            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| b. DRAINAGE CONTROLS   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 17. OTHER TRANSPORTATION FACILITIES                              | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS                     | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 19. AVS CHECK (4th Quarter-April, May, June)_____(date)          | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 20. AIR QUALITY PERMIT   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 21. BONDING & INSURANCE  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |

## INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: ACT/007/016

Page 2 of 4  
DATE OF INSPECTION: July 13, 1999

(Comments are Numbered to Correspond with Topics Listed Above)

### GENERAL COMMENTS

Chris called on July 8, and left a message, a backhoe had been mobilized to the Gordon Creek #2 Mine for mitigation work caused by trespassers. I called Dan Guy on July 9, to let him know I could not get down to the site until Tuesday of the following week.

Mitigation work was conducted for two reasons by the operator. Trespassers contributed to some damage to the reclamation project and calculation of as-built designs identified that the channel was too small if antecedent moisture conditions prevail. The major portion of the mitigation work was completed on Monday, July 12. I arrived on Tuesday. The backhoe was still on site, but not being used. One young man was on site collecting riprap to reenforce the channels. He told me he had been picking up debris earlier that day. I asked if anyone was spraying for thistle, he told me a couple of people were on site a couple days earlier spraying and cutting the weeds.

I checked the mitigation work conducted by EIS against the list of repair projects we compiled on the last inspection. The following activities were found.

1. *Excavate or build up the embankment on Channel SD-5*

The contractor reconstructed the channels giving them more depth. This modification was the result of my comments to size the channel to accommodate the design flows under antecedent moisture condition III. Riprap was laid in the bottom of SD-5 but not along the side slope. I mentioned to Mel Coonrod, who was driving to the site, that the riprap would work better if it was placed on the slope of the channel. The channel has a substrate of rocks mixed with dirt from previous construction that should provide protection from erosion. Mel stated he would have his worker move the riprap from the bottom of the channel and use it to reenforce the embankment.

2. *Regrade the areas where were ruts were left by the vehicle.*

The slope where the vehicle had gained access and created ruts was gouged using the backhoe bucked. The gouges were not as deep as those smoothed out by the landowner, but were rough enough to restrict access by vehicles. Dan Guy had mentioned earlier that the gouged area shouldn't need to be revegetated because there were still live plants in between the gouges and native seeds would blow into the area.

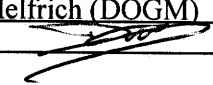
3. *Build a berm or cut a small diversion across the slope by the lower fence that directs runoff into the upper sedimentation pond cell.*

The contractor constructed a small ditch and berm paralleling the access fence to collect and divert any runoff flowing down the slope of the reclaimed access road. Runoff reaching the ditch will be directed into the upper cell of the sedimentation pond.

Copy of this Report:

Mailed to: James Fulton (OSM/Denver), Chris Hansen (CFC), Dan Guy (Blackhawk Engineering)

Given to: Joe Helfrich (DOGM)

Inspector's Signature:  David Darby #47 Date: August 6, 1999

(Comments are Numbered to Correspond with Topics Listed Above)

*4. Replace the boulders that were moved by the trespasser to gain access.*

The contractor replaced the boulders across the access site.

*5. Repair the fence around the property.*

The contractor repaired the fence across the access site, however it looked like it could be reenforced some. There were no cattle on site.

*6. Continue to treat the thistle growing on the property.*

One young man was on site collecting riprap to reenforce the channels. He told me he had been picking up debris earlier that day. I asked if anyone was spraying for thistle, he told me some people were on site a couple days earlier spraying and cutting the weeds.

*7. Remove the remaining mining debris that was missed on previous cleanup, such as wires, brattice, a crushed culvert and a crushed gabion basket*

The young man on site told me that the culvert and gabion structure above Jacob's Pond had not been removed, that they still intended to remove them.

*8. Clean and repair rock weir structures along the main access road.*

I checked the rock weirs. The contractor had cleaned the sediment out from behind the structures, however some of the structures needed repairs which had not been done.

Changes 1, 6, 7 and 8 were not changes required as a result of the trespass, but was needed as ongoing reclamation maintenance.

2. Signs and Markers

The signs were intact on the main entry fence identifying the minesite and "No Trespassing" status.

4. Hydrologic Balance

a. Sediment Pond and Impoundments

The weather has been warm and dry. The lower two cells of the sedimentation pond were dry and the upper cell was only about one quarter full. I hiked up to the # 7 and # 8 reclaimed minesites. All channels appeared intact. Water was seeping from the springs at the #7 mine, mouth of Slide Canyon and above Jacob's Pond.

Copy of this Report:

Mailed to: James Fulton (OSM/Denver), Chris Hansen (CFC), Dan Guy (Blackhawk Engineering)

Given to: Joe Helfrich (DOGM)

Inspector's Signature:  David Darby #47 Date: August 6, 1999

Mountain Coal Company Water Monitoring Report August 1, 1999  
 Last Submittal in office records

|   |  |                                  |                     |                 |
|---|--|----------------------------------|---------------------|-----------------|
| UPDES 001 Sed                                 | Pond outflow N. Fk Gordon Creek                    | Monthly                          |                     |                 |
| 98-06-01 to 98-06-30                          |  |                                  |                     |                 |
| Gordon Creek 2, 7 and 8 Mine Water Monitoring |  |                                  |                     |                 |
| Site  | Location   | Monitoring Schedule              | Date Last Monitored | Condition       |
| 2-1-W   | Sediment Pond Discharge                            | Monthly                          | 6-1-99              | No Flow         |
| 2-2-W   | Discharge North Fork of Gordon Creek (Sweets Pond) | Quarterly                        | 6-11-99             | 285 gpm Quality |
| 2-3-W   | Lower Beaver Creek                                 | Continuous Bi-annual quality     | 6-11-99             | 785 gpm Quality |
| 2-4-W   | Upper Beaver Creek                                 | FlowContinuous Bi-annual quality | 6-11-99             | 164 gpm Quality |
| 2-5-W   | Jewke's Spring                                     | Bi-annual                        | 6-11-99             | 314 gpm         |
| 2-6-W   | Gunnison Spring                                    | Bi-annual                        | 6-11-99             | 47 gpm          |
| 2-7-W   | Left Fork of Bryner                                | Quarterly                        | 6-11-99             | 18.7 gpm        |
| 2-8-W   | Right Fork of Bryner                               | Quarterly                        | 6-11-99             | 3.5 gpm         |
| 2-9-W   | Bryner Cyn. Below Mine                             | Quarterly                        | 6-11-99             | No Flow         |
| 2-10-W  | Inlet to Pond Jacob's                              | Quarterly                        | 6-11-99             | 87 gpm          |
| 2-11-W  | Inlet to 3 cell Sedimentation Pond                 | Monthly                          | 6-11-99             | Dry             |

# CERTIFICATE OF INSURANCE

**PRODUCER**  
Marsh USA Inc.  
800 Market Street, Suite 2600  
St. Louis, MO 63101-2500

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES LISTED HEREIN.

March -GL-UT/CO-99-00

**INSURED**  
Mountain Coal Company, L.L.C.  
P.O. Box 591  
1 Mile East of Somerset - Hwy 133  
Somerset, CO 81434

## COMPANIES AFFORDING COVERAGE

**COMPANY**

**A ST PAUL FIRE & MARINE INSURANCE COMPANY**

**COMPANY**

**B**

COMPANY

**C**

**COMPANY**

**D**

## COVERAGES

This certificate supersedes and replaces any previously issued certificate

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE LISTED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES LISTED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE   | POLICY NUMBER                        | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS                       |             |
|--------|---|--------------------------------------|----------------------------------|-----------------------------------|------------------------------|-------------|
| A      | GENERAL LIABILITY   | GL 01200289                          | 07/31/99                         | 07/31/00                          | GENERAL AGGREGATE            | \$ *500,000 |
|        | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY  | *\$500,000 general aggregate applies |                                  |                                   | PRODUCTS - COMP/OP AGG       | \$ 500,000  |
|        | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR                              | per location                         |                                  |                                   | PERSONAL & ADV INJURY        | \$ 300,000  |
|        | OWNER'S & CONTRACTOR'S PROT   |                                      |                                  |                                   | EACH OCCURRENCE              | \$ 300,000  |
|        | <input checked="" type="checkbox"/> Includes XCU  |                                      |                                  |                                   | FIRE DAMAGE (Any one fire)   | \$ 50,000   |
|        |   |                                      |                                  |                                   | MED EXP (Any one person)     | \$ 5,000    |
|        | AUTOMOBILE LIABILITY  |                                      |                                  |                                   | COMBINED SINGLE LIMIT        | \$          |
|        | <input type="checkbox"/> ANY AUTO   |                                      |                                  |                                   | BODILY INJURY (Per person)   | \$          |
|        | <input type="checkbox"/> ALL OWNED AUTOS  |                                      |                                  |                                   | BODILY INJURY (Per accident) | \$          |
|        | <input type="checkbox"/> SCHEDULED AUTOS  |                                      |                                  |                                   | PROPERTY DAMAGE              | \$          |
|        | <input type="checkbox"/> HIRED AUTOS  |                                      |                                  |                                   |                              |             |
|        | <input type="checkbox"/> NON-OWNED AUTOS  |                                      |                                  |                                   |                              |             |
|        | GARAGE LIABILITY  |                                      |                                  |                                   | AUTO ONLY - EA ACCIDENT      | \$          |
|        | <input type="checkbox"/> ANY AUTO   |                                      |                                  |                                   | OTHER THAN AUTO ONLY:        |             |
|        |   |                                      |                                  |                                   | EACH ACCIDENT                | \$          |
|        |   |                                      |                                  |                                   | AGGREGATE                    | \$          |
|        | EXCESS LIABILITY  |                                      |                                  |                                   | EACH OCCURRENCE              | \$          |
|        | <input type="checkbox"/> UMBRELLA FORM  |                                      |                                  |                                   | AGGREGATE                    | \$          |
|        | OTHER THAN UMBRELLA FORM  |                                      |                                  |                                   |                              | \$          |
|        | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY   |                                      |                                  |                                   | WC STATUTORY LIMITS          | OTHER       |
|        | THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL |                                      |                                  |                                   | EL EACH ACCIDENT             | \$          |
|        | OTHER   |                                      |                                  |                                   | EL DISEASE-POLICY LIMIT      | \$          |
|        |   |                                      |                                  |                                   | EL DISEASE-EACH EMPLOYEE     | \$          |

RECEIVED

JUL 30 1999

DIV. OF OIL, GAS & MINING

| DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO DEDUCTIBLES OR RETENTIONS) |  |
|---|--|
| Permit ACT/007/016, Gordon Creek Mines 2, 7, & 8  |  |

**CERTIFICATE HOLDER**

Utah Dept. Of Natural Resources  
Division of Oil, Gas and Mining  
1594 W. North Temple  
Suite 1210  
Salt Lake City, UT 84114-5801

### CANCELLATION

SHOULD ANY OF THE POLICIES LISTED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ~~SEND BY MAIL~~ 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN. ~~NO CANCELLATION SHALL BE EFFECTIVE WITHOUT 45 DAYS WRITTEN NOTICE~~

**I & H MARSH & MCLENNAN, INCORPORATED BY:**

**Alfred A. Peterfeso**

JHMM1 (2/98)

VALID AS OF: 07/27/98

**UTAH  
ATTACHMENT**

A rider is attached to the policy that requires the insurer to notify the Division whenever substantive changes are made in the policy including any termination or failure to renew.